“JK Lakshmi Cement Limited

Quarter & Half Year Ended 30th September 2026 Conference Call”

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MODERATOR: **MR. VAIBHAV AGARWAL – PHILLIPCAPITAL (INDIA) PRIVATE LIMITED**

Moderator: Ladies and gentlemen, good day and welcome to the earnings conference call for the quarter and half year ended 30th September 2026 for JK Lakshmi Cement Limited, hosted by PhillipCapital (India) Private Limited.

As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the call, please signal an operator by pressing star then zero on your touch-tone phone.

I now hand the conference over to Mr. Vaibhav Agarwal from PhillipCapital. Thank you, and over to you, sir.

Vaibhav Agarwal: Thank you, Rayo. Good evening, everyone. On behalf of PhillipCapital (India) Private Limited, we welcome you to the Q2 and H1 FY 2027 call of JK Lakshmi Cement Limited. On the call from JK Lakshmi Cement, we have with us Mr. Arun Shukla, President and Director, and Mr. Sudhir Bidkar, Executive Director, Corporate Affairs and CFO of the company.

I would like to mention on behalf of JK Lakshmi Cement Limited and its management that certain statements that may be made or discussed on this conference call may be forward-looking statements based on current management expectations and also something that relates to future expected business developments by JK Lakshmi Cement's management.

Such statements are subject to a number of risks, uncertainties, and other important factors which may cause the actual developments and results to differ materially from any management projections made on this call.

JK Lakshmi Cement Limited and the management of the company assumes no obligation to publicly update or alter these forward-looking statements, whether as a result of new business information or future events or otherwise. Also, the participants on the call can download a copy of the Q2 FY 2027 results presentation from the company website.

I will now hand over the floor to the management of JK Lakshmi Cement for their opening remarks, which will be followed by interactive Q&A. Thank you, and over to you, sir.

Arun Shukla: Yes, thanks, Vaibhav. Good afternoon. Good afternoon, everyone, to this call of JK Lakshmi Cement quarter two and H1 2026-27. We have already uploaded the presentation over the website, and perhaps all of you are having that presentation with you. But before that, I just want to give some context of this call.

JK Lakshmi Cement operates in geographies of north, west, and part of east. July-September quarter two typically is impacted by cyclicity, and in our geography, particularly like Gujarat and Chhattisgarh, typically they receive much more rain than other part of India. So, yes, Chhattisgarh was particularly inundated because of rains, heavy rains during July-September. And same was with coastal part of Gujarat, which is south part of Gujarat. Cost, I think all of you are aware that all of us are reeling through cost, increase in cost on account of fuel, particularly coal, petcoke.

And also, during this July-September, we take shutdowns because we plan our shutdowns in a way that coincides with low demand months. That is what we have done, and that also impacts our cost, right? Though we try to mitigate cost increase by changing our fuel mix in our integrated plant of north, but still the kind of cost increase which has happened, industry has not been able to pass it on to customers.

The reason was, of course, I think we were through low demand months of July and September. September, the latter part of it, and October, now we see that demand is improving and prices are also moving upward. This is just I wanted to give you context of this call with respect to JK Lakshmi Cement. All other details are there in the presentation.

You can go through that, and any questions you may have, you can ask. All of us are here to respond to those questions to the best of our capabilities. Thank you.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from Amit Murarka from Axis Capital. Please go ahead.

Amit Murarka: Hi. Thanks for the opportunity. Thanks for the opening comments. While it is appreciated that the second quarter is generally a seasonally weak quarter, but essentially it is also in the context of relatively weak performance that we have been seeing in the last few quarters. In that sense, the EBITDA per ton going down to ballpark like 510-520 per ton in the quarter, I mean, still seems honestly a little weak in the context of even the weak 2Q seasonally.

Just wanted to understand, and on top of that, there is further cost inflation that is impacting the sector. In that context, just two things. Firstly, what is your fuel cost outlook for third quarter and fourth quarter? How much more inflation are you expecting? And secondly, what is your expectation of NSRs, again, in the context of the recent price hikes as well as your geographical mix as well? Yes. I'll just start with that, then I have a few more.

Arun Shukla: Yes, thanks, Amit, for asking these questions. Yes, of course, I think industry has been through this cost pressure because of fuel, and same goes with us as well. Now, if you look at our fuel costs for Q2 was INR1.82 per 1,000 kcal, which has moved up from INR1.54. You can understand the kind of increase which we had.

With respect to Q3, we see that this is going to touch INR2 or even little more than INR2 per 1,000 kcal. This is what we see Q3. Q4, I think is very difficult to kind of give any projection because things are so uncertain and volatile that it's very difficult to kind of forecast. But still, I see if this kind of situation we are in, if that persists, then this may go up to about INR2.15, INR2.2 even, right?

So, Q3, we see around INR2, and Q4 around INR2.15-INR2.2 if situation is going to persist like this. Though we have taken a lot of steps in terms of changing the fuel mix, particularly in our North Plant subsidiary and Udaipur, but there also there is a limitation because you know that pyro process, there is something ash content and sulfur and things like that, right?

So, there is a limit also to what extent we can use domestic coal, but we have tried quite a bit, and we have got some benefit out of that. But the challenge is now Indian coal or domestic coal

also is, prices are increasing like anything. If you have seen the recent auction, I think the auction price has been more than 200%, right? So, domestic coal also is getting dearer as we progress.

But I hope, I am being optimistic, I think things may get settled out because of the geopolitical situation of the progress which is happening. Nevertheless, I think this is what I see as on today, around INR2 in Q3 and INR2.15-INR2.2 in Q4 in the given situation. If something changes, then yes, accordingly, I think we also kind of go along that. So, this is part one, Amit, of your questions, right?

Amit Murarka: Yes. About the pricing as well. Thank you.

Arun Shukla: Pricing, as I said in my opener remark, July, September, typically we have not seen price increase, but this time, I think September onward, we have seen some kind of prices moving up, and particularly in non-trade segment. October also, we have seen that prices have gone up in trade and non-trade both. I am hopeful that once Diwali is over, prices are going to inch up because demand also will improve.

So, I am hopeful that part of this cost increase definitely we are going to recover from the market. We are going to see good demand and also price momentum going forward, because after Diwali, there is no, I would say, impediment in terms of external factors. Like, there is no major festivities, rain is over. Typically, I think we are entering into a good demand month.

If you have seen that previous historical data, H2 has always been good in terms of demand and prices. If you look at FY 2025, 2026 also, you will find the same trend. I think now we are entering into some good months with respect to demand and also price. But of course, I think cost is something which is unpredictable, and we have to really face as it comes.

Amit Murarka: Understood. Thanks. Also on capex, how much has been spent on Durg so far?

Arun Shukla: On Durg expansion, we have spent about In the current six months, we have spent about INR200 crores, but overall, we have spent about close to INR450 crores.

Amit Murarka: What is the projection as of now, planned capex? Is there any change or remains the same?

Arun Shukla: Broadly, that remains the same. We expect in the current year about INR1,000 crores, and then Current year, sorry, INR1,500 crores, and then INR2,000 crores for the next two years.

Amit Murarka: This is for the overall company, right?

Arun Shukla: Yes, yes, overall company.

Amit Murarka: Okay. Thank you. I will just come back in the queue.

Moderator: Thank you. The next question is from Nilesh Sharma from Monomer Capital. Please go ahead.

Nilesh Sharma: Thank you, sir. Sir, EBITDA [inaudible 0:11:06]. How much price increase we need to get back those INR700 levels of EBITDA?

Arun Shukla: Yes, so though your voice is not clear, but I got your question that how we are going to reach to 700 plus. I think we are on track. Kind of price momentum is there right from September, latter part of September to in October. Probably, I think we will be reaching there. Whatever I think shortfall we had in quarter two, that will be making it up and forth.

Nilesh Sharma: Okay. And sir, what is your planning for net debt, which is rising? Net debt to EBITDA level has also increased significantly.

Arun Shukla: Net debt to EBITDA has increased, but going forward, we will ensure that our net debt to EBITDA doesn't cross 3.5 going forward, and we are

Nilesh Sharma: 3.5. Okay. Last question. Our volume increased only 5%, but industry volume is 9%-10% somewhere. How much volume we are targeting for coming six months?

Sudhir Bidkar: Yes. So, for H1, our volume growth is about 7%. Quarter two was 5% and overall, 7%. As I said that our three major geographies are there, Gujarat, Rajasthan, and Chhattisgarh. The worst which happens in our geography is during monsoon, so that has happened. We are confident that we are going to match up with the industry growth in coming six months' time.

Nilesh Sharma: Okay. Okay, sir. Thank you, sir. Thank you.

Moderator: Thank you. Participants who wish to ask questions, please press star and one. The next question is from Rajesh Ravi from HDFC Securities. Please go ahead.

Rajesh Ravi: Hi, sir. Good evening. My first question pertains to the capex. You mentioned that in H1 we have done INR200 crores towards the Durg facility, and total we see from the balance sheet, we have done close to…

Sudhir Bidkar: Rajesh, sorry, I think your voice is feeble, so if you can really…

Rajesh Ravi: Is it better now?

Sudhir Bidkar: Yes, Rajesh, yes, it is better.

Rajesh Ravi: Okay, great. Sir, my first question pertains to the capex. in H1, we have done something close to INR500 crores, and you mentioned that out of that INR200 crores we have spent towards the Durg expansion.

Okay. Just wanted to understand the breakup of this, the remaining capex, which has been done in H1, and also given that you are targeting INR1,500 crores capex in FY 2027, and the capex so far has been muted in H1 at INR500 crores. So what are the plans? How is the capex bifurcation in Q3, Q4? And similarly, for FY 2028, what is the guidance?

Sudhir Bidkar: Yes, as I mentioned in response to your earlier question, we are talking of a capex of INR1,500 crores in the current year.

In two years, INR2,000 crores, close to about INR2,000 crores. Out of that INR1,500 crores, almost INR1,000 will go for the Durg, and remaining for our some land acquisition at Kutch and Nagaur, plus Northeast project, and also some normal capex.

Rajesh Ravi: Mm-hmm. This INR800 crores which you are targeting to spend for Durg in second half.

Sudhir Bidkar: For the year, no?

Rajesh Ravi: Yes, yes, for the year. Correct. You mentioned that for Durg, the total target is to spend INR1,000 crores, and you also mentioned that you have spent INR200 crores so far in H1. So another-

Sudhir Bidkar: It is INR400. INR200 in the quarter, INR200 in the previous quarter. So INR400 in the current half year. Prior to that, in the previous year, we had spent INR200 crores. So total we have already spent close to about INR600 crores-INR650 crores on the project.

Rajesh Ravi: Understood. So INR400 crores has been already spent, and the total another INR600 crores-

Sudhir Bidkar: Targeting.

Rajesh Ravi: Yes, targeting for the Durg. Okay, that explains. Understood. And sir, on realization, I see your cost structure is already efficient in terms of even the market leader UltraTech and your operating cost, if I strip out the non-cement revenues and cost structure has broadly aligned. But where we fall short on the margin is this sharp pricing gap which we see from the reported UltraTech cement realization and yours. There is a difference of almost INR300 per ton. So, what are the steps being taken to narrow that gap versus the market leader?

Arun Shukla: Yes. Rajesh, we have taken some steps, particularly in eastern part of India, our gap is not that much. Even West Gujarat also, we have really squeezed our gap with the leader, right? Yes, there are few markets where we need to work on, and we do have actions in place to reduce that gap. The gap has reduced from before, but yes, I agree with you, in some of the market of North, I think gap is higher than East and West, which we have in them.

We are taking some actions, and one of the major actions what we are taking is improving our premiumization, selling more of a premium product, and hence trying to kind of anchor our mother product price by pitching our premium product in the market. This is what the strategy which we have.

Rajesh Ravi: Understood. Sir, on the realization front, sorry, I missed your comment. The recent price hikes which have happened in September and October, how much if they were to sustain in the month of November and December, or rather the average pricing currently, this is on the current price hike in September and October, how do they stack versus your average realization in Q2?

Arun Shukla: What I see in the month of November post Diwali, definitely I think some INR10 price increase, which I see that will happen based on, again, demand which is there in the market, and another INR10-15 around in the month of December. October, non-trade prices have gone up in almost all markets. Trade was not that much, but trade also has gone up in majority of the market. On

an average, if you look at then about INR10 in October, INR10 November, and around INR15. December. That is what I think I see.

Rajesh Ravi: Okay. So far you are looking at on the October price improvement around INR10 increase versus Q2 average, right?

Arun Shukla: Yes.

Rajesh Ravi: Okay. Could you share the non-trade, sorry, not non-trade, the non-cement revenue and the RMC revenue and margin numbers?

Arun Shukla: Non-cement revenue was INR183 crores in the last quarter.

Rajesh Ravi: Okay. RMC was how much? RMC and the other, AAC, RMC and

Arun Shukla: INR86 crores was RMC.

Rajesh Ravi: INR86 crores is RMC, and AAC was how much and other?

Arun Shukla: Other, I think small numbers are there, but major is this only, and maybe AAC block about close to INR70 crores.

Rajesh Ravi: INR70 crores. What is the blended margin here, sir?

Arun Shukla: Blended margin is 5%.

Rajesh Ravi: 5%. Okay, I will come back into you. Thank you.

Arun Shukla: Yes. Thanks, sir.

Moderator: Thank you. Participants who wish to ask questions, please press star and one. The next question is from Parth Bhavsar from Investec. Please go ahead.

Parth Bhavsar: Hi, sir. Thank you for the opportunity. Sir, I have a couple of questions on your Northeast expansion. First of all, when are we targeting the commissioning of this plant?

Arun Shukla: We are targeting somewhere around March 29.

Parth Bhavsar: Got it. Sir, how much is the capex for this expansion? INR1,500 crores, if I am not wrong?

Arun Shukla: Around INR1,800 crores.

Parth Bhavsar: INR1,800 crores. Got it. Sir, what sort of incentives have been approved for this expansion?

Arun Shukla: We will discuss, I think. Maybe we can have a separate discussion on this. Let us connect with me, I will tell you.

Parth Bhavsar: Okay. Sir, how do you see the competition? Because a lot of players are adding up capacity. Do you think everyone will come through? I think Ambuja has also announced, and even Shree has started groundwork. How do you see competition shaping up in the region?

Arun Shukla: I think, as I said during my last call also, that particularly North is a supplier market. Whatever capacities which are being put in Rajasthan, that is going to cater to central part of India as well. Right? See, if you really look at that entire geography of India, where you are going to set up the plant, where limestone is there. The major limestone resources are where?

One is Rajasthan, second is Chhattisgarh, third is if you go to Andhra area, and fourth maybe Northeast. I think all other places, I think limestone is not there. In going forward also, you will see that these are the places where you will find some capacities are going to be added. And if you look at the capacity of all those major players who have announced that, these are the places they are going to put up the capacity.

I think, see, intensity of competition is going to be there. The important is to really kind of understand where we stand and how we are going to really hedge our market, our channel, and our market share. And if you look at our strategy, we have not been spreading ourselves thin. We are consolidating ourselves in North, we are consolidating in East, we have consolidated in West also.

Surat we have expanded, and Kutch now we are going to come up with. We are not spreading thin. Wherever, whatever market share we are holding onto, we are going to be relevant player in those markets. Rather than looking at competition which is coming, we are consolidating our position and trying to place in the market in a way that we are going to really face them with the capacity, channel, and our selling strategy.

Parth Bhavsar: Basically, sir, are you saying that you will be selling even outside of Northeast?

Arun Shukla: So…

Parth Bhavsar: Or is the demand big enough for to…

Arun Shukla: Limestone reserve, right? What I say not immediately, but perhaps Northeast is going to be supplier point for eastern part of India, and particularly North Bengal and even Bihar. North Bihar, North Bengal, I think this is going to be supply point. Because see, Bengal and Bihar, Jharkhand, where from they get cement or the clinker? Clinker either is from Chhattisgarh or from M.P. part of it. M.P., you do not have much of the clinker available, right?

So all those supply points are getting kind of exhausted. So Northeast is going to be supply point going forward, not immediately, but definitely I see maybe after seven, eight, 10 years onward, I think you will see that people are going to put up clinkering plant in Northeast and supplying to that place.

Parth Bhavsar: Perfect.

Arun Shukla: Even for East also, I think, where from you get the supply? Either from M.P. or you go from North or Chhattisgarh cluster. So I think this is what the projection I see. Let us see how this pans out.

Parth Bhavsar: Fair enough, sir. Sir, thank you so much.

Arun Shukla: Fortunately, I think we have got good reserve with us. We have now four mines with us in Northeast. Yes, sir, we are quite optimistic about our strategies in Northeast now.

Parth Bhavsar: Sir, if I just, I may, like what would be the landed cost of clinker at Northeast versus our North or existing plants?

Arun Shukla: Northeast, I think we have not done that calculation because what we discussed just about is a far-fetched thing, right? Okay. Maybe I think that calculation and operating plan has to be made. But as of now, what we have seen is that, yes, being there in Northeast is going to make that particular player competitive and also will have that access to the some hinterland of Northeast, which is not that easy.

Parth Bhavsar: Got it. Thank you so much for answering my questions.

Moderator: Thank you. Next question is from Shravan Shah from Dolat Capital. Please go ahead.

Shravan Shah: Hi, sir. Sir, first two, three data points, CC ratio for this quarter and lead distance?

Arun Shukla: Yes, Shravan. CC ratio, 1.2. It is about 1.48 or something. Yes?

Shravan Shah: Okay. It has increased from 1.43 in the previous quarter of 1Q.

Arun Shukla: Yes.

Shravan Shah: Okay.

Arun Shukla: Yes. Because our blended has gone up to now a little higher percentage.

Shravan Shah: Yes. And the lead distance?

Arun Shukla: Lead is 366 km. 363.

Shravan Shah: 363. Okay. Got it. And we said that in the second half, we are looking to match the industry growth on the volume front. So, it would be a We are looking at an industry at 7%-8% kind of a growth?

Arun Shukla: Right, Shravan. Yes, so 7%-8% kind of growth we are seeing here.

Shravan Shah: Okay. Got it. Sir, in presentation we have FY 2028, I understand the Durg expansion, the 4.6 million ton. Then in FY 2029, 1 million ton will be added and 1.5 million ton in FY 2030 to reach a 25.1. This 1 million ton in FY 2029 will be the Northeast one and 1.5 million in FY 2030 will be which plant?

Arun Shukla: This is going to be We have two plants which will get commissioned in 29, 30. One is Northeast, which I mentioned, 1.5 and 1 million ton West Bengal, Mejia also we are going to come up with. These are the two places, 1.5 plus 1, 2.5 million ton will come in the year 29 and 30. That depends which comes earlier, maybe three, four months here and there, that will happen.

Shravan Shah: Okay.

Arun Shukla: But both of them will come around that time only.

Shravan Shah: Okay. Got it. Apart from the petcoke that we have mentioned that it will be rising in the third quarter, what other cost do you think, or it would be obviously one will be the operating leverage will be there, lower shutdown cost in the third quarter, that will be supportive. Just wanted to understand in terms of the bag cost or is there any other cost where we can see an increase or a decrease in the third quarter?

Arun Shukla: Shravan, I think two things I will not comment because things are so uncertain. One is coal, petcoke, and another one is bag cost because that again depends on this, how things are moving in that petroleum space. But other things I think I definitely see an improvement. One is renewable energy front. Second is, since our shutdown is over, then our power cost will go down, so WHRS will improve.

Third is all those existing solar, because July, September you don't get that much output. So now since rainy season is over, then there also I think we'll get good output from all those installed solar. And probably I think last quarter we'll have some our solar power plant, which is we have invested in captive mode. That also will come partially in quarter four of this year. So, all these things are going to help us.

Of course, I think our power costs also, specific power will go down because now there is no shutdown, no on and off, auxiliary consumption is going to be lower side. So, all these will help to reduce our specific power consumption one, absolute power cost second, third is the renewable proportion improvement, and fourth operating leverage. So, these are the things I see a positive side of it. Uncertain is energy, which I mentioned.

Shravan Shah: This green, sir, 48% in second quarter, how much it will increase in this solar that we are adding in fourth quarter or maybe 1Q 2028? How much is the capacity?

Arun Shukla: Different places, different like at Udaipur we have 40 MW, at Durg we have about another 20, 25 MW, then Sirohi also we have about 40 MW. But that depends, that will come partially maybe quarter four. Not full advantage you are going to get this year.

Shravan Shah: Okay. Once it will be there, this 48% green, sir, can reach to where?

Arun Shukla: It will inch up to 49%. Because production also will improve, all those additional solar, production also will go up.

Shravan Shah: Okay. Lastly, the clinker sale in the second quarter, how much it will be?

Arun Shukla: Clinker sale, I will just tell you. This is about 1,50,000 tons.

Shravan Shah: Okay, 1.5 lakh?

Arun Shukla: Yes.

Shravan Shah: Okay. Thank you, sir, and all the best, and Happy Diwali.

Arun Shukla: Thank you, Shravan. Thank you. Happy Diwali to you as well.

Shravan Shah: Thank you, sir.

Moderator: Thank you. To ask questions, please press star and one. Next question is from Sarthak Gera from DSP Asset Managers. Please go ahead.

Sarthak Gera: Hi, good evening. Just one question from my side, sir. Actually, I was going through the balance sheet, and I could find that the INR130 crores receivable, I am assuming, from the trade-

Sudhir Bidkar: Please speak a bit louder. I am not able to hear you.

Sarthak Gera: Hello? Am I audible now?

Sudhir Bidkar: Yes, better.

Sarthak Gera: Yes. I saw that on the balance sheet side, INR130 crores of refund that is receivable has moved from current to non-current. That has deteriorated a bit. Just wanted clarity if at all we are providing something on that, and what is the…

Sudhir Bidkar: I don't know where you got that 130 has moved. That has remained there where it was earlier.

Sarthak Gera: I think it has moved from financial current assets to the non-current assets. But yes, I think that…

Sudhir Bidkar: Non-current asset increases on account of fixed deposit with banks. Nothing to do with that INR130 crores.

Sarthak Gera: Okay.

Sudhir Bidkar: If you are talking of an increase from 57 - 187, that increase of 130 is not on account of that movement of 130 receivables from current to non-current. It is on account of increase in the fixed deposit with bank of maturity more than 12 months. That's the increase, right? It has nothing to do with that shifting.

Sarthak Gera: Perfect. Got it.

Sudhir Bidkar: Incidentally, because it is moving to non-current, that's why you assume that it is there. That has not shifted.

Sarthak Gera: Fair. This was very helpful, sir. Have you provided anything against this receivable? Because this has gone into arbitration or to…

Sudhir Bidkar: No, there is no. We management feel is we have a good case. We are confident that we have a good case of recovery, so we have not provided.

Sarthak Gera: Okay. Perfect. Great. This was it from my side. Thank you.

Sudhir Bidkar: Thank you.

Moderator: Thank you very much. The next question is from Amit Murarka from Axis Capital. Please go ahead.

Amit Murarka: Hi. Yes, thanks for the opportunity. Firstly, on the Durg expansion. While you've shared some updates in the presentation about the preheater installation and status of that, just wanted to check, like, what is the status of the split grinding units that you are planning along with this clinker expansion?

Arun Shukla: Yes. We have given some update in our presentation also, but I'll just give you a brief update. At Durg, where we are putting up 2.3 clinker and 1.6 cement, more than 50% civil job is already over. There's clinker silo, cement silo, preheater, WHRS. I think all those civil jobs are kind of above the ground, and 50% civil job is over. Fabrication also we have already done about 20%, 25% types.

Now, all civil mechanical contractors have already been mobilized, and the way we had planned this time was that we completed all those below-the-ground job before monsoon sets in. That has helped us to kind of move a little faster. This is what the status, and we are right on track of achieving this by March 2028. This is about Durg clinker unit of 2.3 and cement of 1.6 million ton.

At Madhubani, Bihar, there also we have all clearances are in place. Piling job, we are putting up pile foundation there based on the soil condition. 80% piling job is over. We have already kind of done quite a bit job on multi-compartment silo. That is also being done. That is also progressing well. Prayagraj, all clearances are in place, including environment clearance. Boundary wall we have already done. Equipment ordering has already been done.

Now, we have mobilized our civil and mechanical contractor in place. Temporary power connection is also there. I think all these three places, things are happening concurrently and on track. We'll be completing all these projects by March 2028, the latest.

Amit Murarka: Sure. Earlier there was a plan for Patratu as well. Is there any change to that?

Arun Shukla: We had changed because of the fact that we had some issue, because Jharkhand, we have one act, perhaps all of you know that Chota Nagpur Tenancy Act. Things were getting delayed and cost-wise also it was acquiring land and kind of. We had some challenges, so we decided to kind of reconfigure our capacity in all these three locations to achieve this 4.6 million ton. Moving Patratu 1, 2 now, Mejia, which I mentioned during my call. Mejia, we have already land available, clearances are already there in place. Mejia is going to be much quicker than Patratu and Raebareli. The decision which we take was that to go to West Bengal, Mejia, along with these three places which I mentioned.

As I said in response to one of the questions by one of you, that we will have an opportunity to take clinker from Northeast also going forward in West Bengal. That was also a little bit, we see some synergy in that, right? We moved Patratu to Mejia, and along with this, 4.6 million ton at these three places.

Amit Murarka: Understood. Just for getting the numbers right, would you be able to give a split of the 4.6 now in terms of Durg and Madhubani and others?

Arun Shukla: Yes. 4.6, the breakup is like this, 1.6 plus 1.5 plus 1.5.

Amit Murarka: Got it. 1.5 at Madhubani, 1.6 Durg, and 1.5 at Mejia. Okay.

Arun Shukla: Right now, we are at 18 million tons, because a lot of places I see people are mentioning 16.5, but we are at 18. 4.6 is East expansion which we discussed, so that makes 22.6. In presentation, we have given that how we are going to kind of, look at presentation also, FY 2027, we are 18 million tons.

Amit Murarka: Understood. Northeast, by when do you expect to place the equipment orders?

Arun Shukla: Equipment order for?

Amit Murarka: Northeast plant.

Arun Shukla: Initially, I think we are just in the process of ordering equipment now. Already.

Amit Murarka: Got it. That is all from me. Thank you.

Arun Shukla: Thank you.

Moderator: Thank you. The next question is from Rajesh Ravi from HDFC Securities. Please go ahead.

Rajesh Ravi: Yes, sir. What is the blended power cost at JK Lakshmi level per unit?

Arun Shukla: 6.24.

Rajesh Ravi: What was this number quarter-over-quarter and year-on-year?

Arun Shukla: 5.52 was last quarter before, quarter one, and 6.24 is quarter two.

Rajesh Ravi: Okay. Understood, sir. That is all from my end. Thank you.

Moderator: Thank you. Next question is from Shravan Shah from Dolat Capital. Please go ahead.

Shravan Shah: Hi, sir. Sir, just a question on the trade share. So, obviously now for last almost three quarters, we are at 58%, 59%. Even this quarter and the entire 1H also, if you look at the growth in the trade is 14%, 15% kind of a growth versus the overall growth. The two point is, given the non-trade, the price hike is on the higher side, so will again, will be focusing on the non-trade again, or how one can look at it?

Arun Shukla: No, we will not change our strategy so frequently, because what we see that trade is something which is consistent long term, right? Non-trade is something which is not, because different projects, different customers, different demand cycle. I think still our focus is going to be there in trade only, right? Though I think non-trade is quite remunerating as of today, because prices have gone up in the recent past. But the strategy remains, there is no change in that.

Shravan Shah: Okay. In terms of the premium share, which is obviously is increasing 27%, so how one can look at by March or maybe next one year where we want to reach this premium share, 27%?

Arun Shukla: Shravan, I think we will be around that only, 27%-28% times. I think this is the level I think we see that we will be there, 27%-28%. I think effort is to go to 30%, but I see 28 around, that is what the number which I look at.

Shravan Shah: Okay. Lastly, given the capex will be higher in the second half, and obviously we need even the working capital needs to be released, because there in the 1H also we have seen a different INR1,460 odd crores is stuck or extra has went into the working capital. How one can look at this working capital and net-net in terms of that debt level for end of this year March?

Arun Shukla: Yes, you are right. In the second half, we will certainly get the release from the working capital which has got blocked in the first half. Then based on the capex and the loans, we would be peaking at around 2.5 in this year, by the end of this year.

Shravan Shah: Okay. Got it. Thank you, sir.

Arun Shukla: Thank you.

Moderator: Thank you very much. That was the last question in queue. I would now like to hand the conference over to Mr. Vaibhav Agarwal for closing comments.

Vaibhav Agarwal: Thank you. Sir, just one question from my side. Sir, we have revised our target from 30 to 25 by FY 2030. So earlier it was 30 by FY 2030, and now it is 25 by FY 2030. Can you just brief on the new target? So, when we target 30 million tons and the rationale behind the same? You can just brief on that.

Sudhir Bidkar: We wanted to make sure that our balance sheet does not go haywire. So, to keep those prudential norm of our net debt to EBITDA not crossing those prudential norm of 3.5, we have preferred the pace of expansion that we have been consistently mentioning in our discussion with the investor, that we will not go for expansion at the cost of over-leveraging the company. So, maintaining balance sheet discipline is more important than just reaching a figure of 30 by 30.

Vaibhav Agarwal: Right, sir. Arun, sir, there is one question to you. You told that non-trade profitability. What is the scenario of non-trade profitability in the current markets versus trade profitability? Just wanted to hear some brief.

Arun Shukla: Non-trade profitability is better in some of the market, definitely, because some of the market trade prices have not gone up to that extent, right? If you really look at what is the basic of

categorizing trade and non-trade, one of the classification criteria was the margin which we get. Historically, non-trade margin was lower than trade before.

That is why people started kind of focusing on trade and non-trade. My thought is that trade is something which is long-term, consistent, and some kind of stability is there. Yes, today, if you really look at majority of the market, you find that non-trade is as good as trade, and maybe in some of the market, even better.

Vaibhav Agarwal: 100%, sir. That was the two questions from my end. Thank you very much, sir.

Sudhir Bidkar: Thank you.

Vaibhav Agarwal: On behalf of PhillipCapital (India) Private Limited, I thank the management and JK Lakshmi Cement public call, and many thanks to our partners for joining the call. Thank you very much, sir. They will now conclude the call. Thank you.

Sudhir Bidkar: Thank you.

Arun Shukla: Thanks, Vaibhav. Thanks, everyone. Thank you. Thanks for joining.

Moderator: Thank you very much. With that, we conclude today's conference. Thank you for joining us. You may now disconnect your lines.